MITIGATION PLAN

Jersey Central Power & Light Company (JCP&L) presents this Mitigation Plan that demonstrates that it has ample resources available to it to assure continued payments for the basic generation service (BGS) supply for its customers. The plan discusses (1) Access to Capital Markets, (2) Mitigation Options, (3) Existing Outside Sources of Liquidity, (4) Funds from Operations, and (5) Debt Reduction.

Access to Capital Markets

On March 17, 2003, FirstEnergy Corp. (FirstEnergy) filed an omnibus "shelf" registration statement on Form S-3 with the U.S. Securities and Exchange Commission (SEC) covering securities in the aggregate amount of up to $2 billion. This registration statement, as amended, was declared effective on August 29, 2003 thus providing FirstEnergy the flexibility to issue and sell from time to time various types of securities, including common stock, debt securities, or share purchase contracts and related share purchase units, up to $2 billion. On September 30, 2003, FirstEnergy issued and sold 32.2 million shares of common stock, priced at $30 per share, generating net proceeds of approximately $935 million. This transaction is discussed further below under “Mitigation Options”.

On October 24, 2003, JCP&L filed a petition with the New Jersey Board of Public Utilities (BPU) requesting authority to issue $300 million of new long-term debt securities. The proceeds from any issuance are anticipated to be used for the potential refinancing of debt issues, which would result in interest expense savings. The proceeds could also be used to fund working capital needs if required

JCP&L has also filed a petition with the BPU regarding the issuance of additional transition (or securitization) bonds to recover certain stranded costs. The proceeds will be used to improve JCP&L’s capital structure through the retirement of debt and equity, resulting in lower financing costs for JCP&L. These reductions in financing costs will further improve JCP&L’s cash flow.

Mitigation Options

It appears that a significant element in the decision by Standard & Poor’s Ratings Services (S&P) to lower various credit ratings of the FirstEnergy companies, including the decision to lower FirstEnergy’s senior unsecured debt rating to BB+, was the continuing outage of the Davis-Besse nuclear power plant. FirstEnergy continues to work to return Davis-Besse to safe and reliable operation as expeditiously as possible. The next meeting with the Nuclear Regulatory Commission (NRC) is scheduled for December 29, 2003. At this meeting, FirstEnergy will provide an update on plans to improve certain operational matters previously noted by the NRC. FirstEnergy remains committed to returning the plant to a safe and reliable working condition, which will improve cash flow for the entire FirstEnergy system and support a return to investment grade status for FirstEnergy’s senior unsecured debt.

As noted, FirstEnergy issued and sold 32.2 million shares of common stock on September 30, 2003, generating net proceeds of approximately $935 million, which were used to reduce short-term debt. This has had multiple and immediate positive impacts on the financial ratios utilized by the rating agencies in their determination of credit ratings. Improvement could be expected in regards to capitalization ratios, funds from operations to total debt, as well as interest coverage ratios. The strengthening of these key ratios will ultimately be instrumental in re-affirming the investment grade status of the FirstEnergy companies. FirstEnergy also has the ability to issue additional common stock, debt securities, or share purchase contracts and related share purchase units under the existing shelf registration statement, up to about $1 billion.

Additional receivables financing facilities are being put into place for the Pennsylvania operating companies (Pennsylvania Electric, Metropolitan Edison and Pennsylvania Power) totaling $180 million. These facilities are expected to close in the first quarter of 2004 and will provide additional liquidity to those companies, which would make additional system resources available to JCP&L, if necessary. Another mitigation option is to implement a stand-alone bank credit facility specifically for JCP&L.

The continuation of the ongoing discussions with the rating agencies to keep open the lines of communication is critical in providing the agencies with the information they require to complete an overall analysis of the FirstEnergy system's financial prospects. This additional information can take the form of financial forecasts and detailed information regarding key expenditure areas, such as purchased power, fuel expenses and capital expenditures.

Existing Outside Sources of Liquidity

The FirstEnergy companies maintain revolving credit facilities totaling $1,750 million and bilateral credit agreements totaling $34 million, essentially all of which is available to the regulated money pool discussed in the next paragraph. These facilities result in $1,784 million of total credit facilities. As of December 26, 2003, $472 million had been drawn down and $177 million in letters of credit had been issued under these facilities, and there were $2 million of investments, with the result that the FirstEnergy system's available credit at that date was $1,137 million. (Certain facilities expiring in January 2004 are not included in the foregoing figures.) In addition, Ohio Edison and Cleveland Electric Illuminating maintain receivables financing facilities, which are fully drawn, totaling $370 million. These receivables facilities provide additional liquidity to those companies, making additional system resources available to JCP&L, if necessary.

The FirstEnergy system maintains both a regulated and an unregulated money pool. The FirstEnergy companies participating in each pool may borrow and lend to one another. FirstEnergy provides funds to both money pools, but does not borrow from them. The money pools utilize the credit facilities described above to provide flexibility to borrow and lend among the FirstEnergy companies. In particular, JCP&L has the ability to borrow from the regulated money pool, thus utilizing cash from the facilities mentioned above. JCP&L short-term borrowing is limited to 10% of its capitalization or approximately $415 million as of September 30, 2003. As of December 26, 2003, JCP&L had approximately $170 million of short-term borrowing outstanding, essentially all of it from the regulated money pool.

Funds from Operations

FirstEnergy anticipates that it will have, on a consolidated basis, an amount of free cash flow from operations in the range of approximately $800 to $900 million during each of the next two calendar years (2004-2005). These amounts are after all expenses of the parent (as well as anticipated common stock dividends) and after all expenses of each of its subsidiaries, including purchased power costs, capital expenditures and financing costs, and are projected to provide the levels of cash necessary to fund mandatory debt redemptions. This anticipated free cash available, when added to the sources of liquidity described above, provide ample support to assure the payments to the BGS suppliers.

Note that the 2004 projected funds from operations specifically for JCP&L have been lowered to reflect the approximately $60 million net decrease in delivery revenues resulting from JCP&L's recent rate case decision. The lower-than-expected cash flows associated with the BPU's rate decision were cited as a key factor by S&P when it placed FirstEnergy and its subsidiaries on credit watch with negative implications on October 27, 2003. JCP&L's 2004 projected net cash position at the end of each month is expected to range from a negative $60 million to a positive $80 million prior to financing activity. Any negative net cash position would be addressed through borrowings from the regulated money pool discussed above.

Debt Reduction

FirstEnergy is also committed to continuing is aggressive debt reduction program, which should also serve to bolster its credit profile. During 2003, FirstEnergy reduced debt on a consolidated basis by about $1.7 billion, which was funded by $530 million of cash from operations, $935 million of net proceeds from the common stock offering described above and $200 million of proceeds from the sale of non-core assets, including some inherited as part of the merger with GPU, Inc. FirstEnergy's target debt reduction for 2004, on a consolidated basis, is approximately $1.3 billion. The 2004 debt reduction is expected to be funded by $800 million of cash from operations, $200 million from one-time cash proceeds from various transactions, including further sales of non-core assets and the monetization of FirstEnergy's holdings of NRG common stock received as part of its settlement with NRG relating to the aborted sale of certain generating plants to NRG, and proceeds from the sale by JCP&L of securitization bonds, as discussed above. As has been discussed in other contexts, the securitization bonds will be treated as off-balance sheet by the rating agencies and will therefore not impact credit ratings going forward. FirstEnergy continues to review opportunities to divest additional non-core assets, beyond those referenced above. Any cash received from such potential assets sales could be used to further reduce debt.

Summary of Credit Ratings

	Issuer Rating / Corporate Credit Rating			*Senior Secured*			*Senior Unsecured*			*Outlook*		
	S&P	**Moodys**	**Fitch**	**S&P**	**Moodys**	**Fitch**	**S&P**	**Moodys**	**Fitch**	**S&P**	**Moodys**	**Fitch**
FirstEnergy Corp.**	BBB-	Baa2	BBB-	-	-	-	BB+	Baa2	BBB-	Stable	On Review for possible Downgrade 8/14/03	Stable
Jersey Central Power & Light	BBB-	A3	-	BBB	A2	BBB+	-	-	-	Stable	On Review for possible Downgrade 8/14/03	Stable

On August 14, 2003, Moody's Investors Service (Moody's) placed the debt ratings of FirstEnergy and all of its subsidiaries under review for possible downgrade. Moody's stated that the review was prompted by: (1) weaker than expected operating performance and cash flow generation; (2) less progress than expected in reducing debt; and (3) nuclear plant outage at Davis-Besse. Moody's further stated that, in anticipation of Davis-Besse returning to service in the near future and FirstEnergy's continuing to significantly reduce debt and improve its financial profile, "Moody's does not expect that the outcome of the review will result in FirstEnergy's senior unsecured debt rating falling below investment grade."

On September 30, 2003, Fitch, Inc. lowered FirstEnergy's senior unsecured rating from "BBB" to "BBB-" (which is an investment grade rating), with a Stable rating outlook. The downgrade was driven by "high debt leverage at the parent FE" (which is being addressed, as discussed under "Debt Reduction" above).

December 29, 2003